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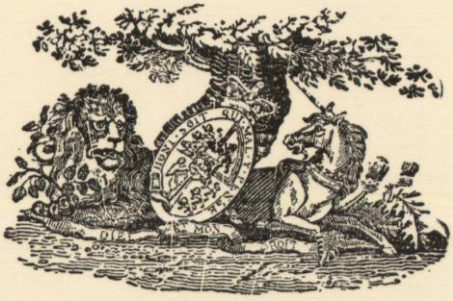
The Origin, Growth and Transformation of Marshall Field & Company

JAMES L. PALMER



"Were American Newcomen to do naught else, our work is well done if we succeed in sharing with America a strengthened inspiration to continue the struggle towards a nobler Civilization— through wider knowledge and understanding of the hopes, ambitions, and deeds of leaders in the past who have upheld Civilization's material progress. As we look backward, let us look forward."

—CHARLES PENROSE
(1886-1958)
Senior Vice-President for North America
The Newcomen Society
for the study of the history of
Engineering and Technology
(1923-1957)
Chairman for North America
(1958)

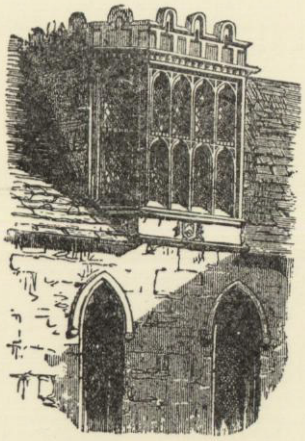
This statement, crystallizing a broad purpose of the society, was first read at the Newcomen Meeting at New York World's Fair on August 5, 1939, when American Newcomen were guests of The British Government

"Actorum Memores simul affectamus Agenda"

THE ORIGIN, GROWTH AND TRANSFORMATION
OF
MARSHALL FIELD & COMPANY

An Address at Chicago

AMERICAN NEWCOMEN, *through the years, has honored numerous important corporate enterprises and along many avenues of pioneer effort, both in the United States and in Canada. The present such Newcomen manuscript deals with the history and philosophy of an internationally-known and highly-respected merchandising organization. It is a typically American life-story: of vision, resourcefulness, courage and an adaptability to the ever-changing needs of the people!*



"Mr. Field had several very strong convictions with respect to merchandising. He constantly stressed quality and would have nothing to do with cheap or shoddy merchandise. He was a pioneer in the field of fashion, something which Chicago women had hardly heard of prior to the days of Potter Palmer. He believed in assembling the widest possible assortments of merchandise not only from domestic sources but from countries around the world. He was a pioneer in the establishment of European buying offices, having opened our first such office in Manchester, England, in 1871. Mr. Field also was one of the first to offer merchandise for sale at only a single, clearly marked price.

"In the area of personnel relations, Marshall Field was ahead of his time. He granted various types of employe benefits long before they became general practice in industry. It is clear from the record that he enjoyed the respect of his associates and that his employe group was extremely loyal to him and to the Company."

—James L. Palmer

The Origin, Growth and Transformation of Marshall Field & Company

JAMES L. PALMER

MEMBER OF THE NEWCOMEN SOCIETY
PRESIDENT
MARSHALL FIELD & COMPANY
CHICAGO

THE NEWCOMEN SOCIETY IN NORTH AMERICA
NEW YORK DOWNINGTOWN PRINCETON PORTLAND

1963

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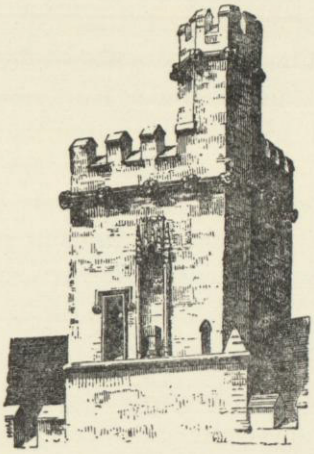
This Newcomen Address, dealing with the history of Marshall Field & Company, was delivered at the "1962 Chicago Dinner" of The Newcomen Society in North America, held in the Gold Room of The Pick-Congress Hotel, at Chicago, Illinois, U.S.A., when Mr. Palmer was the guest of honor, on October 10, 1962

SET UP, PRINTED AND BOUND IN THE UNITED STATES OF AMERICA FOR THE NEWCOMEN SOCIETY IN NORTH AMERICA BY PRINCETON UNIVERSITY PRESS



INTRODUCTION OF MR. PALMER, AT CHICAGO ON OCTOBER 10, 1962, BY WILLIAM V. KAHLER, CHAIRMAN OF THE BOARD, ILLINOIS BELL TELEPHONE COMPANY; MEMBER OF THE CHICAGO COMMITTEE IN THE NEWCOMEN SOCIETY IN NORTH AMERICA

My fellow members of Newcomen:

I AM happy to tell you about Jim Palmer—not as he's sketched in *Who's Who*—but as a friend and associate whom I admire very much.

❦ ❦

Highly articulate, he is that rare species which is equally at home in literary—business—and financial fields. He frequently startles and pleases buyers and department heads by his intimate knowledge of their operations and with the pithy comments he offers toward a solution of their problems.

❦ ❦

In business or social meetings, Palmer makes no attempt to dominate the conversation. He prefers to listen and does an excellent job of it. But when there are words to be said, he can say them as skillfully and as tellingly as anyone.

In some circles he is thought to be without humor. However, among his business colleagues and close acquaintances his sense of humor is legendary. One occasion which reflects this was Palmer's departure—with his family—on a European tour. His alleged friends showered him with going-away gifts which included such items as a full-size wooden horse—an armadillo—a four-foot aquarium complete with goldfish—a crate of pigeons—a life-sized model of Mrs. O'Leary's cow—and numerous other mementos like moose heads, rubber life rafts, a suitcase filled with bubble gum, etc.

❦ ❦

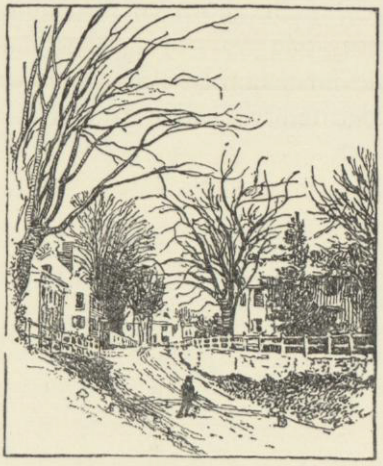
Palmer's chief diversion is gardening and he often rises at 5 o'clock in the morning—puts in a strenuous two hours before breakfast—and then off to work at Marshall Field and Company. His strength and endurance are translated into a vigorous routine in business and civic affairs.

He has two main enthusiasms in the realm of civic effort—although his interest also spans many others. These are the Chicago Community Fund and the Lighthouse for the Blind. He has served in various capacities for both, and maintains a lively and active interest in their administration and purposes.

Palmer carries on a long tradition of Field presidents who are interested in individual customer problems. He will go to fantastic lengths to follow complaints and to remedy shortcomings in the stores' procedures. On one occasion this involved a half dozen telephone calls between Frederick & Nelson—Field's Seattle store —and the Chicago office in pursuit of a small item that a customer fancied.

❦ ❦

The products of this keen and active mind that Jim Palmer has are diverse and plentiful—essentially they add up to the quality of leadership. In so far as Marshall Field and Company is concerned, they are reflected in a sound and fundamental fiscal policy —a rigid adherence to the store's principles of quality and service —and a great interest in people that expresses itself in excellent personnel relations and customer satisfaction. Gentlemen—JAMES L. PALMER.



My fellow members of Newcomen:

In the course of its long history, our Company has been engaged in a wide variety of activities that have included retailing, wholesaling, manufacturing, and real estate. Until about forty years ago, we were principally wholesalers. Since 1953, we have confined ourselves almost entirely to the operation of retail stores. We now have ten of these. Much the most important, both in sales and earnings, is our main store in downtown Chicago. Second in importance is our main Frederick & Nelson store in Seattle.

❦ ❦

Our Chicago operation includes branches in Evanston, Oak Park, Lake Forest, Skokie, Oak Brook, and Park Forest, all suburbs of the city, and in Wauwatosa, a suburb of Milwaukee. Our Seattle store has a branch in suburban Bellevue, east of Seattle.

❦ ❦

It is an ironic fact that our Founder, Mr. Marshall Field, is remembered mainly as a great retail merchant. Throughout his life dry goods wholesaling was the principal part of his business, and his interest in retailing was distinctly secondary, particularly in the early years of his career.

Mr. Field arrived in Chicago from Pittsfield, Massachusetts, in 1856. He was twenty-one years of age and had been reared in a strict New England farm family. After four years as a clerk in a country store, he decided to head west with his savings of something less than $1,000.

His brother Joseph helped Marshall obtain employment as a clerk in the largest wholesale dry goods house in Chicago, Cooley, Wadsworth and Company. His salary was $400 a year. He slept on the premises and at the end of the year had saved $200, an achievement which seems to have gone out of fashion with some of us.

As a result of his seriousness of purpose, his selling skill and his keen interest in merchandising, young Field progressed rapidly, becoming a partner in 1860. In 1863, the firm name was changed to Farwell, Field & Company, John V. Farwell having become a partner some years earlier. Also in 1863, Levi Z. Leiter joined the firm.

Two years later both Field and Leiter left Farwell, Field & Company and bought into the dry goods store of P. Palmer and Company, changing its name to Field, Palmer and Leiter. In 1867, the two men bought out Potter Palmer and his brother, and the firm name became Field, Leiter & Company.

Potter Palmer had come to Chicago from Lockport, New York, in 1852. He established a dry goods store on Lake Street with his $5,000 of capital. At this time Chicago had a population of 40,000. Its streets were unpaved. Its sidewalks were of wood, many of them on stilts. It was indeed a rough, frontier town.

For the first time Potter Palmer brought quality and fashion to the city. He branched out into the wholesale business and intro-

duced many innovations in advertising, personnel, merchandising, and customer relations. His business grew rapidly and was extremely profitable. At the time he sold out to Marshall Field and Levi Leiter, its sales volume approximated $8,000,000, nearly as much as the combined sales of its two leading competitors.

The center of Chicago's dry goods trade was then on Lake Street near Clark. State Street was a narrow road flanked by rows of more or less dilapidated shacks. In the mid-sixties, Palmer came to the conclusion that State Street could be made into a more satisfactory retail center than Lake so he quietly began buying property on the street. In due course he owned most of it. He then proceeded to move the buildings back far enough to allow for a street one hundred feet in width. With this project completed he constructed a six-story building at the corner of State and Washington, and the first Palmer House a few blocks south.

❦ ❦

With the signing of a lease by Field, Leiter & Company on Palmer's new building, State Street was on its way to becoming one of the great shopping streets of the world. With the leading dry goods firm in the city located there, most of its competitors were soon forced to follow.

❦ ❦

The decade of the 1870's proved to be a period of great trial for Field, Leiter & Company. Its beautiful new store on State Street was totally destroyed by the great Chicago fire in 1871; it was caught in the financial panic of 1873; its State Street store again burned to the ground in 1877.

❦ ❦

The 1871 fire on October 9 devastated practically all of the central business district. After the fire the only evidence that a store had stood on the corner of State and Washington was a crude sign reading: "Cash Boys and Work Girls will be paid what is due them Monday 9 A.M. Oct. 16th at 60 Calumet Ave. Field, Leiter & Co."

Three weeks after the fire, the Company reopened its business in an old car barn at Twentieth and State Streets. Meanwhile, it had decided to construct a building on Madison Street just west of the present Loop in which to house the wholesale division. This building was completed in March, 1872. For the first time our wholesale and retail branches were housed at different locations.

❦ ❦

The retail division moved back to its old site at State and Washington on the second anniversary of the fire, October 9, 1873. It occupied a new and somewhat larger five-story limestone structure leased from the Singer Company, which in turn had bought the land from Potter Palmer.

❦ ❦

In 1873, the Country entered a severe depression which lasted six years. Despite a decline in the price level, Field, Leiter & Company maintained its dollar sales volume during the period. Its earnings averaged nearly a million dollars annually on a capital investment of between $2,500,000 and $4,500,000.

❦ ❦

In November, 1877, a second fire destroyed the new State Street store. Thirteen days later the Company was open for business in an exposition building at Adams Street on the lake front. In March, 1878, it moved once again, this time into a row of buildings on Wabash Avenue, near Madison.

❦ ❦

In the meantime, the Singer Company had proceeded with the construction of a new six-story building on the old site at the corner of State and Washington. Mr. Field and Mr. Leiter offered $500,000 for the property but the Singer Company refused to sell for less than $700,000. During this impasse the building was leased to an important competitor, Carson Pirie Scott & Company. Faced with this dilemma, Mr. Field and Mr. Leiter bought the building for $700,000 and paid Carson's $100,000 to cancel its lease. Field and Leiter then proceeded to lease the building to Field, Leiter &

Company. The new store opened for business in April, 1879. The Company's main store has been at that corner ever since.

Despite two devastating fires and a serious depression, the Company not only survived the 1870's but in 1880 was a flourishing and highly profitable enterprise. While Mr. Field was its dominant figure, he had shown great skill in the development of younger men, several of whom had become junior partners. However, serious differences had arisen between Mr. Field and Mr. Leiter. Field therefore agreed to buy Leiter's interest in the firm or offered to sell his own interest to Leiter. Since the junior partners were clearly loyal to Field, Leiter had no choice but to sell. The transaction was consummated in 1881 at a price of something over $2,000,000. Thus Marshall Field became practically sole owner of the business. Thus, too, there came into being for the first time the name Marshall Field & Company.

During the next twenty-five years, the Company enjoyed a remarkable growth. Sales increased from $25,000,000 to $73,000,000. Retail sales, which in 1882 had been 16 percent of the total, increased to slightly more than one-third in 1906. Annual net profits in the 25-year period increased from $1,700,000 to $4,800,000.

The steady growth in sales of course necessitated the acquisition of additional space. In 1887, the wholesale division moved into a new building constructed on the block bounded by Adams, Quincy, Wells, and Franklin Streets. In 1893, the retail division was enlarged by the construction of the building which still stands at the northwest corner of Washington and Wabash, adjoining Holden Court on the west. In the years between 1893 and 1914, Mr. Field or his estate acquired the entire block bounded by State, Wabash, Washington, and Randolph. New buildings were constructed from time to time as the business grew, until in 1914 our main store occupied the entire block. Also, the old Singer Building, built in 1878, had been replaced in 1907 with a modern structure. The

building housing our Store for Men, across Washington Street from the main store, was completed in 1913.

Since 1914, there have been no basic changes in or additions to our downtown store properties in Chicago. They have been kept in excellent physical condition, however, through the expenditure of many millions of dollars on maintenance and modernization.

Incidentally, our Company now owns all of its downtown store real estate in Chicago. The buildings were purchased in 1924 and the land they occupy in 1939, both from the Field estate.

The period between 1890 and 1906 marked the rise to prominence in our business of two of its great men, John G. Shedd and Harry Selfridge. Mr. Field hired Shedd as a stock boy at $10.00 per week. He made rapid progress, first as a salesman and in a few years as head of one of the wholesale departments. His responsibilities increased steadily, and in time he became manager of the entire wholesale division, a post he occupied until the death of Mr. Field in 1906.

Harry Selfridge was hired by Mr. Field in 1879, and like Shedd, started as a stock boy in the wholesale. Four years later he was transferred to the retail division and in another four years was its general manager at the age of 29. Selfridge was a man of terrific energy and soaring ambition. He was extremely creative and imaginative. He also possessed great promotional skill. He more than anyone else deserves credit for transforming the retail from a dry goods store into a full-line department store as we now know it, by adding many lines of merchandise not previously carried.

Mr. Selfridge's personal ambition probably was responsible for his departure from the Company in 1904. There have been a num-

ber of speculations as to why he resigned, including the story that Mr. Field refused to add the name of Selfridge to the firm name. Whatever the reason for his departure, he suddenly bought a competitive establishment which shortly he sold to Carson Pirie Scott. This transaction was originated by and negotiated through John G. Shedd. Thus did Carson's obtain its present location on State Street. Later Selfridge moved to London and built the department store which in time became famous under his own name.

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Two years after the departure of Selfridge came the death of Mr. Field. He had been one of the truly great business men of his day. Coming to Chicago as a youth with less than $1,000 in his pocket, he died a multimillionaire. Not only did he build a great commercial enterprise, but in his mature years he played an active role in the affairs of numerous other industries, notably transportation, steel, banking and real estate. Without question he was one of the most influential and powerful men in Chicago.

❦ ❦

Mr. Field also contributed importantly to the cultural life of the city. Without his support the Chicago Natural History Museum could not have been built. Over a period of thirteen years, his gifts to the Museum totaled $10,000,000.

❦ ❦

Much has been written about the qualities that accounted for the extraordinary success of Mr. Field. He was a great salesman and a good merchant, though probably not as great a merchant as his successor, John G. Shedd. He had exceptional personal integrity. He was imaginative and courageous. He also possessed great vigor and industry. He certainly had a finely developed "money sense."

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Mr. Field was also a great organizer and an excellent judge of people. The continued growth and success of the business following his death, under the management of men he hired and developed, is ample proof of this fact.

It might be useful at this point to examine the principles and policies which Mr. Field applied to his business. One of these had to do with integrity. He would tolerate no deception of any kind in his relationships with customers and employes. His extremely liberal treatment of customers is reflected in the well-known phrases: "Give the lady what she wants" and "The customer is always right." In practice this meant that the customer could return merchandise for full credit for practically any reason whatever.

❦ ❦

Mr. Field had several very strong convictions with respect to merchandising. He constantly stressed quality and would have nothing to do with cheap or shoddy merchandise. He was a pioneer in the field of fashion, something which Chicago women had hardly heard of prior to the days of Potter Palmer. He believed in assembling the widest possible assortments of merchandise not only from domestic sources but from countries around the world. He was a pioneer in the establishment of European buying offices, having opened our first such office in Manchester, England, in 1871. Mr. Field also was one of the first to offer merchandise for sale at only a single, clearly marked price.

❦ ❦

In the area of personnel relations, Marshall Field was ahead of his time. He granted various types of employe benefits long before they became general practice in industry. It is clear from the record that he enjoyed the respect of his associates and that his employe group was extremely loyal to him and to the Company.

❦ ❦

Mr. Field probably had as much to do with the development of the customer service concept in retailing as any merchant in America. He employed good people and saw to it that they were thoroughly trained in the art of courtesy in dealing with the public. Full satisfaction was to be given to all customers regardless of the nature of their requests.

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As a result of his emphasis on service to the public, our Company was among the first to make available to its clientele many

facilities not usually then found in retail stores: tea rooms; waiting, writing and rest rooms; nurseries; information desks; theatre ticket offices; travel bureaus, and numerous other conveniences.

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Finally, Mr. Field believed in providing his customers with the most attractive physical facilities obtainable. He felt that people responded to beauty and good taste in the design of buildings and interiors just as they admired beauty and good quality in merchandise.

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How many of the above principles or policies may have originated with Mr. Field, we do not know. However, I believe that no merchant of his time applied them more persistently or more thoroughly than did he.

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Following his death in 1906, our business was managed by John G. Shedd until 1926. However, James Simpson was elected President and Chief Executive Officer in early 1923, Mr. Shedd moving up to the Chairmanship. Mr. Simpson left us in 1932 to take over the management of the Insull empire. John McKinlay had been elected President in 1930, Mr. Simpson in the meanwhile having been elected Chairman.

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The Company grew steadily and prospered greatly during Mr. Shedd's administration. By the early 1920's, the retail division had become the most important part of the business, and with the growth of chain stores, the first signs of trouble for the wholesale were showing on the horizon.

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Meanwhile, back in 1901, the Company had begun to interest itself in manufacturing and converting. Between that year and 1929, some thirty mills were acquired, most of them producing or converting textiles. Much of their output was sold to the wholesale, and for a period of time, the Company undoubtedly gained

important advantages from this course of action. However, as the wholesale started its long decline in 1924, the ownership of the mills presented the Company with many new and serious problems. All the mills were eventually sold or liquidated.

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The decade between 1920 and 1930 was marked by four important events: the purchase of the Davis Store on south State Street in Chicago in 1923; the opening of three suburban stores in the Chicago area in 1929; the purchase of Frederick & Nelson in Seattle in the same year; the building of the Merchandise Mart in 1929-30. I shall comment on the Davis Store and the Mart later in my remarks.

❦ ❦

Our Evanston, Oak Park, and Lake Forest stores were among the first department store branches built in this Country. They were successful from the start and still are.

❦ ❦

We have benefited too from our acquisition of Frederick & Nelson. That part of our operation has been consistently profitable and is today one of the finest department store properties in the Country.

❦ ❦

We come now to the period of transformation in our Company. We entered the depression of the early 1930's a sprawling enterprise comprising a group of retail stores, a wholesale operation, an assortment of mills and the largest commercial building in the world. One of the stores—the Davis Store—the wholesale division, the Merchandise Mart, and at times the mills, were all sources of substantial operating losses. In fact, through a period of eight years starting in 1930, these losses approximately offset the rather satisfactory earnings of our Marshall Field and Frederick & Nelson stores.

❦ ❦

The process of transformation began with the liquidation of the wholesale division. Some of the mills and converting operations

were disposed of at about the same time. The wholesale had been on the decline since the early 1920's, due mainly to the growth of retail chains and the practice of direct buying. Its liquidation was recommended by a business consultant, James O. McKinsey, who was elected Chairman and Chief Executive Officer of the Company in 1935. He directed the liquidation. The Davis Store on south State Street was also sold during the McKinsey regime, which was terminated by his sudden death in late 1937. He was replaced as Chief Executive Officer by F. D. Corley, who had been serving as President since the resignation of John McKinlay in 1936.

❦ ❦

It was about this time that Hughston M. McBain became prominent in our management. He had entered the employ of the Company in 1922 as an office boy for James Simpson and had risen rapidly through the ranks. When the manufacturing division ran into trouble in 1937, McBain was placed in charge. He returned to the retail as General Manager in 1940 and became President of the Company when Corley retired in early 1943. As you know, he directed the affairs of the Company until he chose to retire in 1958. He served as Chairman and Chief Executive Officer from 1949 to 1958. I assumed the title of President in 1949 and have been Chief Executive Officer since McBain retired.

❦ ❦

By 1943 the feeling was beginning to develop that the Company should confine itself to the operation of quality department stores. To this end, we began to work towards the sale of the Merchandise Mart. This was accomplished in 1945 and resulted in a substantial strengthening of our working capital position, anything but strong at the time.

❦ ❦

The Merchandise Mart had been conceived in the early 1920's as a grandiose scheme to save the wholesale division. Not only our own wholesale unit but competitive establishments as well were to be housed in one gigantic center. The plan has never been realized to this day, due in part to the depression, but mainly because of the continued rapid decline of the wholesale dry goods industry.

The last of our mills were finally sold in 1953. As I have stated, the mills were originally acquired as important sources of supply for the wholesale division. Following the disposal of the wholesale, the relationship of the mills with the rest of the Company was of negligible importance. We felt too that the capital derived from the sale could be put to excellent use in retail expansion.

With the Company once again in strong financial position due in part to improved earnings in the 1940's, we found ourselves able to move forward aggressively on the retail front. Up to this time our reputation with the public had rested largely on our State Street store in Chicago and our Frederick & Nelson unit in Seattle. True, we had opened three rather small suburban stores in the Chicago area back in 1929, but they were no longer adequately serving our suburban market. The population explosion into the suburbs was already well under way.

Despite this fact, we still regarded our two main stores as the principal bulwarks of our business. In the years following the war, therefore, we spent many millions on improvements in our State Street store and on the modernization and enlargement of our Seattle store, the latter alone at a cost of $10,000,000.

Meanwhile, we again turned our attention to the suburban problem. The first modern shopping centers had begun to spring up in the late 1940's, and automobile transportation was well on the way toward revolutionizing customer buying habits. While our downtown stores were doing well, and still are, the only way to maintain or improve our position in the market was to expand further in the suburbs.

Our first move in this direction was the opening of a small store at Bellevue, east of Seattle, in 1946. This was replaced by a much larger unit in 1956.

In 1950, we completed the acquisition of over 100 acres of land in Skokie, north and a bit west of downtown Chicago. We then undertook to create what we hoped would be the most beautiful shopping center in the world, Old Orchard. Our store in that center opened for business in 1956 and has been very successful. It may interest you to know that while we do not own the entire center, we in large degree control the choice of tenants and everything relating to its design and appearance.

In the meantime, in 1955, we had opened a somewhat smaller store than Old Orchard in Park Forest, south of Chicago. This unit also has proved to be successful and was enlarged in 1957.

In the mid-fifties, we decided to go into the Milwaukee market and opened a store in the new Mayfair center in Wauwatosa in 1959. This store is approximately the size of Old Orchard. After a slow start, it has grown rapidly. I am sure it will prove to be an increasingly successful operation.

Oakbrook Center, in the western suburbs of Chicago, was patterned after Old Orchard and was ready for business in March, 1962. We have another large and beautiful store there which has exceeded our expectations from the start. Many people now regard Oakbrook, with its gardens, trees and fountains, as the most attractive shopping center in the Country.

Finally, we have under construction, to be completed in mid-1963, a new branch to the north of downtown Seattle. It will be somewhat larger than our Bellevue store, and when it is in operation, we will have good coverage of most of the Seattle market.

Incidentally, all of our new stores and the entire cost of modernizing and enlarging our older units during the past decade have

been financed out of our own capital. Furthermore, during the past few years we have retired $15,000,000 of preferred stock and paid off $4,000,000 of funded debt. The Company continues to enjoy a strong cash position.

❦ ❦

Thus ends, for the time being, our Company's period of transformation from a heterogeneous assortment of unrelated divisions in 1935 to a well-integrated group of thoroughly modern department stores, all of which are profitable.

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We feel that we have made real progress and have achieved a great deal of growth during the past decade or two. We believe too that our business now rests on a completely solid foundation.

❦ ❦

No story of our Company would be complete without some reference to one of its most remarkable personalities, the nephew of the Founder, Mr. Stanley Field. Three weeks ago, Mr. Field celebrated his 69th anniversary in our service. In his early days with us he occupied various executive posts. He has been a member of our Board for 56 years and Chairman of our Executive Committee since 1939. His counsel today, at the age of 87, is as sound and useful as it has been down through the years. It is my personal hope, and almost my belief, that Mr. Field will be with us another 69 years.

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Well, so much for the story of Marshall Field & Company. As you have seen, we have at times had our troubles. However, the most serious of these have been left far behind us. In recent years our earnings record has been among the better in the industry. We are in sound financial condition. For some time now we have been growing steadily in the markets we serve. We look towards further growth as appropriate opportunities are presented in the years ahead.

I am firmly of the opinion, and those who probably will soon succeed me in the management of this business share this opinion, that the principles originally formulated by our Founder more than a century ago are still thoroughly sound. In all of our business relationships, we believe in integrity of the highest order. We believe in rendering the finest possible personal service to our customers. We feel that our main function is the assembling, from all corners of the globe, of the widest, deepest and newest assortments of quality merchandise to be found anywhere. We believe in the fair and generous treatment of our employes, and as a matter of policy, we pay higher wages and grant more liberal benefits than the average firm in our industry. Finally, we believe in operating only full-line, quality department stores so designed and equipped as to achieve the maximum in beauty and good taste.

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To keep step with progress, the details of our operation must of course be changed constantly. However, I feel that the basic formula on which has rested the success of our retail business through more than a century is as sound and valuable today as it was when first devised by Marshall Field. We expect to continue to try to build and operate the finest department stores to be found anywhere in the world.

❦ ❦

There remains, finally, only one further aspect of our long history that I wish to mention. I refer to the remarkable, perhaps unique, loyalty of generations of customers to all that Marshall Field & Company represents. Obviously, this has been the decisive factor in whatever success we have achieved. We shall work earnestly to continue to merit this loyalty.

THE END

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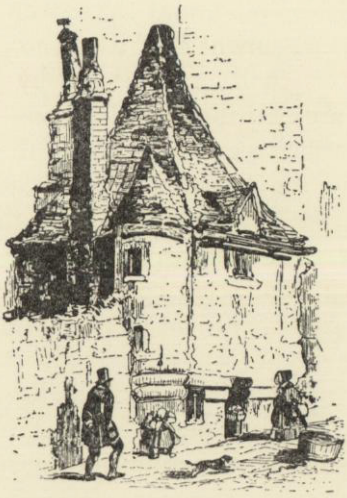
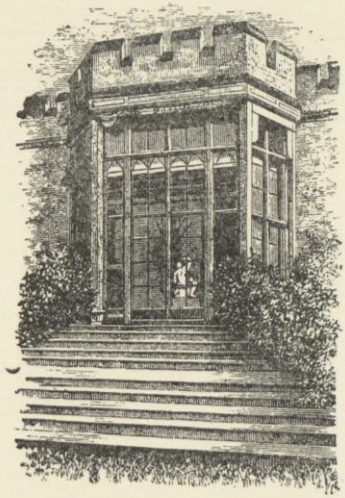
"Actorum Memores simul affectamus Agenda!"



THIS NEWCOMEN ADDRESS, *dealing with the history of* MARSHALL FIELD & COMPANY, *was delivered at the "1962 Chicago Dinner" of The Newcomen Society in North America, held at Chicago, Illinois, U.S.A., on October 10, 1962.* MR. PALMER, *the guest of honor, was introduced by* WILLIAM V. KAHLER, *Chairman of the Board, Illinois Bell Telephone Company; Member of the Chicago Committee in American Newcomen. The dinner was presided over by* JOSEPH B. LANTERMAN, *President, Amsted Industries Incorporated, Chicago; Chairman of the Chicago Committee in this international Society.*



"I am firmly of the opinion, and those who probably will soon succeed me in the management of this business share this opinion, that the principles originally formulated by our Founder more than a century ago are still thoroughly sound. In all of our business relationships, we believe in integrity of the highest order. We believe in rendering the finest possible personal service to our customers. We feel that our main function is the assembling, from all corners of the globe, of the widest, deepest and newest assortments of quality merchandise to be found anywhere. We believe in the fair and generous treatment of our employes, and as a matter of policy, we pay higher wages and grant more liberal benefits than the average firm in our industry. Finally, we believe in operating only full-line, quality department stores so designed and equipped as to achieve the maximum in beauty and good taste."

—James L. Palmer

AMERICAN ENTERPRISE *has been founded upon human attributes: of vision, courage, determination and everlasting hard work. When managerial skill and unquestioned integrity are added then we discover what have been the very sinews of America's material progress. In the pages you have read is unfolded the colorful and always human life-story of a corporate enterprise typical of the application of these attributes and characteristics!*

THE NEWCOMEN SOCIETY
in North America

IN APRIL, 1923, *the late L. F. Loree (1858-1940) of New York, then dean of American railroad presidents, established a group now known as "American Newcomen" and interested in Material History, as distinguished from political history. Its objectives center in the beginnings, growth, development, contributions, and influence of Industry, Transportation, Communication, the Utilities, Mining, Agriculture, Banking, Finance, Economics, Insurance, Education, Invention, and the Law—these and correlated historical fields. In short, the background of those factors which have contributed or are contributing to the progress of Mankind.*

The Newcomen Society in North America is a non-profit membership corporation chartered in 1961 under the Charitable Law of the State of Maine, with headquarters on North Ship Road, Uwchlan Township, Chester County, Pennsylvania, some five miles east of Downingtown, Pennsylvania, and 32 miles west of the City of Philadelphia. Here also is located The Thomas Newcomen Memorial Library in Business History, a reference collection, including microfilm, open to the public for research and dealing with the subjects to which the Society devotes attention.

Meetings are held throughout the United States of America and across Canada at which Newcomen Addresses are presented by leaders in their respective fields. These manuscripts represent a broadest coverage of phases of Material History involved, both American and Canadian.

The approach in most cases has been a life-story of corporate organizations, interpreted through the ambitions, the successes and failures, and the ultimate achievements of those pioneers whose efforts laid the foundations of the particular enterprise.

The Society's name perpetuates the life and work of Thomas Newcomen (1663-1729), the British pioneer, whose valuable contributions in improvements to the newly invented Steam Engine brought him lasting fame in the field of the Mechanic Arts. The Newcomen Engines, whose period of use was from 1712 to 1775, paved a way for the Industrial Revolution. Newcomen's inventive genius preceded by more than 50 years the brilliant work in Steam by the world-famous James Watt.

The Newcomen Society in North America is affiliated with The Newcomen Society for the Study of the History of Engineering and Technology, with offices at The Science Museum, South Kensington, London, S.W. 7, England. The Society is also associated in union with the Royal Society for the Encouragement of Arts, Manufactures and Commerce, whose offices are at 6 John Adam Street, London, W.C. 2, England.

Members of American Newcomen, when in Europe, are invited by the Dartmouth Newcomen Association to visit the home of Thomas Newcomen at Dartmouth in South Devonshire, England, where the festival of "Newcomen Day" is celebrated each year on the fourth Friday in July.

"The roads you travel so briskly
lead out of dim antiquity,
and you study the past chiefly because
of its bearing on the living present
and its promise for the future."

—LIEUTENANT GENERAL JAMES G. HARBORD,
K.C.M.G., D.S.M., LL.D., U.S. ARMY (RET.)

(1866-1947)

Late American Member of Council at London
The Newcomen Society of England